

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0627-02  
Bill No.: Truly Agreed To and Finally Passed SCS for HB 307 and HB 812  
Subject: Licenses - Motor Vehicles; Revenue Department  
Type: Original  
Date: May 24, 2011

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Bill Summary: This bill authorizes the Department of Revenue to issue certain special license plates.

**FISCAL SUMMARY**

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	\$0 or (Less than \$100,000)	\$0 or (Less than \$100,000)	\$0 or (Less than \$100,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0 or (Less than \$100,000)</b>	<b>\$0 or (Less than \$100,000)</b>	<b>\$0 or (Less than \$100,000)</b>

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Highway Fund	\$0 or Less than \$100,000	\$0 or Less than \$100,000	\$0 or Less than \$100,000
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0 or Less than \$100,000</b>	<b>\$0 or Less than \$100,000</b>	<b>\$0 or Less than \$100,000</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 12 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>Local Government</b>	<b>\$0 or Less than \$100,000</b>	<b>\$0 or Less than \$100,000</b>	<b>\$0 or Less than \$100,000</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Corrections - Missouri Vocational Enterprises**, and the **Department of Public Safety - Missouri State Highway Patrol** and the **Missouri Veterans Commission**, state this bill will have no fiscal impact on their respective agencies.

According to officials from the **Office of Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the proposal. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

According to officials from the **Joint Committee on Administrative Rules (JCAR)**, this bill should not create any additional fiscal impact above current appropriations to JCAR.

Officials from the **Department of Transportation** concur with the response from the Department of Revenue as it relates to this bill.

The **Department of Revenue (DOR)** response to proposals similar to, or identical to, this one in previous sessions indicated DOR planned to absorb the administrative costs to implement the proposal. Due to budget constraints, reduction of staff, and the limitations within the DOR motor vehicle legacy systems, changes cannot be made without significant impact to DOR resources and budget. Therefore, the fiscal impact of this proposal is estimated as follows:

ASSUMPTION (continued)

§301.477 - "Combat Action"

Administrative Impact - Motor Vehicle Bureau

- Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$805 in FY 12.
- The Application for Missouri Military Personalized License Plates (DOR-4601) will need to be revised to include a new military plate type. This will require 40 hours of overtime for a Management Analyst Specialist I, at a cost of \$805 in FY 12.
- The DOR web site will need to be updated to include the new plate type. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$218 in FY 12.

DOR is charged \$250 for the initial set-up of a new specialty plate for passenger, truck, and RV as well as an additional charge of \$90 each to include disabled and motorcycle plates, for a total of \$430 for the initial set-up. This is a one-time fee that will be charged upon passage of this bill in FY 12.

Currently, it costs DOR \$4.25 per plate, \$8.50 per set of plates, for manufacturing flat plates through Missouri Vocational Enterprises. The number of applicants who will wish to obtain this plate is unknown. DOR is assuming 200 applicants in FY 12 at a cost to DOR of \$1,417 in FY 12 (10 months).

Total cost for plate set-up and manufacturing: FY 12 - \$1,847

Information Technology - OA-ITSD (DOR):

System Modifications: The Title and Registration Intranet Processing System (TRIPS) plate table would need to be updated to reflect the Combat Action plate.

Revenue Impact

The number of applicants who will wish to obtain this plate is unknown. However, for each 100 Combat Action military plate applications received, DOR assumes there will be an increase in revenue each year of \$1,500 that would be distributed 75% to Highway Fund, 15% to cities, and 10% to counties as a result of the \$15 military plate fee.

ASSUMPTION (continued)

It is unknown how many applicants there will be during the scope of this fiscal note. Military specialty plates do not have a required number of applications before the plate can be produced.

§301.3161 - "Cass County - The Burnt District"

Administrative Impact - Motor Vehicle Bureau

- Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$805 in FY12.
- The Application for Missouri Personalized and Specialty License Plates (DOR-1716) will need to be revised to include a new plate type. This will require 40 hours of overtime for a Management Analyst Specialist I, at a cost of \$805 in FY12.
- The DOR web site will need to be updated to include the new plate type. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$218 in FY12.

Total cost for FTE in FY 12: \$1,828

Set-up cost

DOR is charged \$250 for the initial set-up of a new specialty plate for passenger, truck, and RV as well as an additional charge of \$90 each to include disabled and motorcycle plates, for a total of \$430 for the initial set-up. This is a one-time fee that will be charged upon passage of this bill in FY12.

Plate manufacturing cost

Currently, it costs DOR \$4.25 per plate (\$8.50 per set of plates) for manufacturing flat plates through Missouri Vocational Enterprises. The number of applicants who will obtain this plate is unknown. DOR is assuming 200 applicants in FY12 at a cost to the Department of \$1,700 in FY12.

Total cost for plate set-up (in FY12 only) and manufacturing:

<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>
\$1,847	\$1,743	\$1,786

ASSUMPTION (continued)

Information Technology - OA-ITSD (DOR)

The Title and Registration Intranet Processing System (TRIPS) plate table would need to be updated to reflect the new specialty plate.

Revenue Impact

The number of applicants who will wish to obtain this plate is unknown. However, for each 100 Cass County-The Burn District specialty plate applications received, there will be an increase in revenue each year of \$1,500 as a result of the \$15 specialty plate fee that is constitutionally distributed as follows:

75%-Highway Fund	\$1,125
15%- Cities	\$ 225
10%- Counties	\$ 150

It is unknown how many plate applications will be received for this plate

**Oversight** assumes contributions received by the Cass County collector of revenue would in turn be used for public safety and parks and recreation purposes. **Oversight** assumes this would be an indirect result of this proposed legislation and will show no fiscal impact

**Officials from Cass County did not respond to a request for fiscal impact.**

§301.4006 - "Nixa Education Foundation"

Administrative Impact - Motor Vehicle Bureau:

- Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$805 in FY 12.
- The Application for Missouri Personalized and Specialty License Plates (DOR-1716) will need to be revised to include a new plate type. This will require 40 hours of overtime for a Management Analyst Specialist I, at a cost of \$805 in FY 12.
- The DOR web site will need to be updated to include the new plate type. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$218 in FY 12.

ASSUMPTION (continued)

DOR is charged \$250 for the initial set-up of a new specialty plate for passenger, truck, and RV as well as an additional charge of \$90 each to include disabled and motorcycle plates, for a total of \$430 for the initial set-up. This is a one-time fee that will be charged upon passage of this bill in FY 12.

Currently, it costs DOR \$4.25 per plate, \$8.50 per set of plates, for manufacturing flat plates through Missouri Vocational Enterprises. The number of applicants who will wish to obtain this plate is unknown. DOR is assuming 200 applicants in FY 12 at a cost to DOR of \$1,700 in FY 12.

Total cost for plate set-up and manufacturing: FY 12 - \$1,847

Information Technology - OA-ITSD (DOR):

System Modifications: The Title and Registration Intranet Processing System (TRIPS) plate table would need to be updated to reflect the Nixa Education Foundation specialty plate.

Revenue Impact

The number of applicants who will wish to obtain this plate is unknown. However, for each 100 Nixa Education Foundation specialty plate applications received, DOR assumes there will be an increase in revenue each year of \$1,500 that would be distributed 75% to Highway Fund, 15% to cities, and 10% to counties as a result of the \$15 specialty plate fee.

**Oversight** assumes that before this specialty plate is produced and DOR would incur the associated costs, there must be at least 200 applicants committed to purchase the plate. It is unknown if there will be the required number of applicants during the scope of this fiscal note.

In response to the introduced version of this proposal, officials from the **Nixa Public School District** stated the proposal would have a positive financial impact on the community's public school district.

**Oversight** assumes contributions received by the Nixa Education Foundation would in turn be used for Nixa Public School District purposes. **Oversight** assumes this would be an indirect result of this proposed legislation and will show no fiscal impact.

ASSUMPTION (continued)

**Oversight** assumes that until at least 200 paid applicants have been received by DOR, that DOR will not incur any cost or recognize any revenue. Therefore, Oversight is reflecting no fiscal impact for this plate.

§301.4035 - "Don't Tread On Me"

Administrative Impact - Motor Vehicle Bureau

- Procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$805 in FY 12.
- The Application for Missouri Personalized and Specialty License Plates (DOR-1716) will need to be revised to include a new plate type. This will require 40 hours of overtime for a Management Analyst Specialist I, at a cost of \$805 in FY 12.
- The DOR web site will need to be updated to include the new plate type. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$218 in FY 12.

Total cost for FTE in FY 12: \$1,828

Set-up cost

- DOR is charged \$250 for the initial set-up of a new specialty plate for passenger, truck, and RV as well as an additional charge of \$90 each to include disabled and motorcycle plates, for a total of \$430 for the initial set-up. This is a one-time fee.

Plate manufacturing cost:

- Currently, it costs DOR \$4.25 per plate (\$8.50 per set of plates) for manufacturing flat plates through Missouri Vocational Enterprises.
- The number of applicants who will wish to obtain this plate is unknown. DOR is assuming 200 applicants in FY 12 at a cost of \$1,417 in FY 12.

Total cost for plate set-up (in FY 12 only) and manufacturing:

<u>FY 12</u>	<u>FY 13</u>	<u>FY 14</u>
\$1,847	\$1,743	\$1,786



ASSUMPTION (continued)

Information Technology - OA-ITSD (DOR):

The Title and Registration Intranet Processing System (TRIPS) plate table would need to be updated to reflect the "Don't Tread on Me" plate.

Revenue Impact

As written, DOR will not see a revenue impact as there are no fees associated with the issuance of this license plate.

**Oversight** assumes DOR and DOR-ITSD is provided with core funding to handle a certain amount of activity each year. **Oversight** assumes DOR could absorb the personal service costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

For fiscal note purposes only, **Oversight** will estimate total revenue for this fiscal note as: \$0 or Less than \$100,000. **Oversight** will also estimate total cost to General Revenue as: \$0 or (Less than \$100,000).

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
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**GENERAL REVENUE**

<u>Cost</u> - Department of Revenue - Processing costs for specialty plates	\$0 or (Less than <u>\$100,000</u> )	\$0 or (Less than <u>\$100,000</u> )	\$0 or (Less than <u>\$100,000</u> )
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**ESTIMATED NET EFFECT ON  
GENERAL REVENUE**

<u>\$0 or (Less than \$100,000)</u>	<u>\$0 or (Less than \$100,000)</u>	<u>\$0 or (Less than \$100,000)</u>
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**HIGHWAY FUND**

<u>Revenue</u> - Specialty plate fees	\$0 or Less than <u>\$100,000</u>	\$0 or Less than <u>\$100,000</u>	\$0 or Less than <u>\$100,000</u>
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**ESTIMATED NET EFFECT ON  
HIGHWAY FUND**

<u>\$0 or Less the \$100,000</u>	<u>\$0 or Less than \$100,000</u>	<u>\$0 or Less than \$100,000</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
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**LOCAL POLITICAL SUBDIVISIONS**

<u>Revenue</u> - Cities and Counties - Specialty plate fees	\$0 or Less than \$100,000	\$0 or Less than \$100,000	\$0 or Less than \$100,000
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**ESTIMATED NET EFFECT ON  
LOCAL POLITICAL SUBDIVISIONS**

<u>\$0 or Less than \$100,000</u>	<u>\$0 or Less than \$100,000</u>	<u>\$0 or Less than \$100,000</u>
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FISCAL IMPACT - Small Business

This proposal is not expected to have an impact on small business.

## FISCAL DESCRIPTION

This proposal authorizes the Department of Revenue to issue specified special license plates.

### *§301.477 - COMBAT ACTION*

This section allows persons who have been awarded the combat action badge to obtain specialized license plates bearing the words "COMBAT ACTION" and an image of the combat action badge.

### *§301.3161 - CASS COUNTY - THE BURNT DISTRICT*

This section allows the Department of Revenue to issue "Cass County - The Burnt District" special license plates. In order to obtain one of these specialized licensed plates, the motorist must pay regular registration fees, an additional \$15 fee to the Department of Revenue, and a \$25 emblem-use authorization fee to Cass County. Under the terms of the proposal, 80% of the \$25 emblem-use authorization fee will be distributed within Cass County to public safety with the remaining 20% of the emblem-use authorization fee to be distributed to the Cass County parks and recreation department.

### *§301.4006 - NIXA EDUCATION FOUNDATION*

This section allows members of the Nixa Education Foundation to obtain special license plates bearing their organization's name and emblem. To obtain this plate, a person must submit an application to the Director of the Department of Revenue accompanied by an emblem-use authorization statement along with an additional \$15 fee. Any person who was previously issued a foundation plate and who does not provide an emblem-use authorization statement at a subsequent time of registration will be issued a new plate which does not bear the foundation's emblem.

### *§301.4035 - DON'T TREAD ON ME*

This section authorizes the Department of Revenue to issue "Don't Tread on Me" special license plates. The terms of the proposal delineate the application process and the design of such plates.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

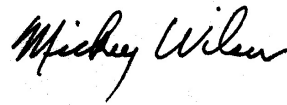
**SOURCES OF INFORMATION**

Department of Revenue  
Department of Corrections  
    Missouri Vocational Enterprises  
Department of Public Safety  
    Missouri State Highway Patrol  
    Missouri Veterans Commission  
Joint Committee on Administrative Rules  
Office of Secretary of State  
    Administrative Rules Division  
Department of Transportation  
Cities  
    Nixa

**NOT RESPONDING**

**Cass County**

Mickey Wilson, CPA

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Director  
May 24, 2011